

REMARKS/ARGUMENTS

Reconsideration of this application is requested. Claims 21-40 are in the case.

I. THE ANTICIPATION REJECTION

Claims 19 and 20 stand rejected under 35 U.S.C. 102 (e) as allegedly anticipated by US patent application publication no. 2006/0095792 to Hurtado et al (Hurtado). In response, and without conceding to the merit of this rejection, claims 19 and 20 have been canceled without prejudice. Withdrawal of the anticipation rejection is now respectfully requested.

II. THE OBVIOUSNESS REJECTION

Claims 1, 7 and 13 stand rejected under 35 U.S.C. 103 (a) as allegedly unpatentable over Hurtado in view of US patent 6,182,218 to Saito (Saito). That rejection is respectively traversed.

New claim 21 is directed to a method of transacting a digital object in which a vendor offers for sale or trade the digital object to a purchaser. This method associates a warning status and/or alert status with the digital object on satisfaction of certain conditions. Claims 22-27 are dependent, either directly or indirectly, on method claim 21.

New claim 28 is directed to a method of transacting a digital object in which a vendor offers for sale or trade the digital object to a purchaser. This method associates a warning status with the digital object on satisfaction of certain conditions. Claims 29-34 are dependent either directly or indirectly on claim 28.

Claim 35 is directed to a method of transacting a digital object in which a vendor offers for sale or trade the digital object to a purchaser. The method includes the step of associating an alert status with the digital object on satisfaction of certain conditions. Claims 36-40 are dependent either directly or indirectly on method claim 35. The new claims presented herewith are supported by the originally filed application and do not introduce new matter.

Each of independent claims 21, 28 and 35 includes the feature of checking a database of vendor details maintained in computer memory. The database includes details of the number of digital objects having an associated warning status previously submitted by the vendor. An alert status associated with the vendor is then updated based, at least partly, on the number of digital objects having an associated warning status previously submitted by the vendor.

The benefit provided by the invention as defined in the new claims is that the invention provides a digital rights management system that includes a warning function. A warning status associated with a digital object provides an immediate indication to a system operator of an authorization violation. No indication of such authorization violation is provided to the vendor offering for sale or trade the digital object.

The benefit of maintaining details of digital objects previously submitted by the vendor is that, if a vendor displays a significant number of authorization violations, then an alert status is associated with the vendor. An example is where the number of digital objects subject to an authorization violation exceeds the number of digital objects that do not have an associated authorization violation for a given vendor. If the warnings are

sufficiently persistent an enforcement component takes action once an alert status is set for a particular vendor.

Hurtado discloses a method of transacting a digital object in which a vendor offers for sale or trade the digital object to a purchaser. The Action states that Hurtado does not specifically teach associating a warning status with the digital object on detecting the presence of an authorization code in the digital object, nor does it describe associating an alert status with the digital object on detecting an entry in the database of vendor details representing an alert status associated with the vendor.

Saito discloses associating a warning status with the digital object on detecting the presence of an authorization code in the digital object and also discloses associating an alert status with the digital object on detecting an entry in the database of vendor details representing an alert status associated with the vendor. Saito discloses a system for managing digital content. A digital content management program is embedded as a micro kernel to an operating system of a user apparatus. The user apparatus is under the management of the digital content management program, which is linked to a usage watch program. The usage watch program performs a process with higher interruption priority than the digital content management program. An illegitimate usage of digital content is immediately acted on by a warning or preventing usage, or visible electronic watermarks added to the digital content (see, column 5, lines 25-40).

Saito further describes monitoring usage status of digital content without disturbing overall operation. If digital content is illegitimately used, the illegitimate usage is detected and the user is given a warning and is forced to stop (see, column 7, lines

29-37). The system also checks for decrypted digital content being edited, stored, copied or transferred (see, column 7, lines 56-63).

One difficulty with the Saito system is that it essentially provides an immediate signal to a user of unauthorized digital content. Such a service could be abused by an attacker who could have a non-trivial chance of learning a transformation that reliably removes the unauthorized detection mechanism from the digital content in a series of interactions with the service.

The present applicant has found, according to the present invention, that it is much more effective to maintain a history of submissions of digital objects made by a vendor. It is much more effective to maintain a warning status associated with some of the digital objects that are subject to authorization violations. It is more effective to take action against a vendor only once the vendor has displayed a consistent pattern of authorization violations.

The combination of Hurtado and Saito do not describe or suggest to one of ordinary skill the notion of maintaining a prior history of vendor submissions and updating an alert status associated with the vendor based on the number of digital objects having an associated warning status previously submitted by the vendor. This feature is present in all independent claims of the present case. Thus, one of ordinary skill would not have been motivated to arrive at the presently claimed invention based on the combined disclosures of Hurtado and Saito. Absent any such motivation, no *prima facie* case of obviousness is therefore generated by Hurtado and Saito. Withdrawal of the obviousness rejection is accordingly respectfully requested.

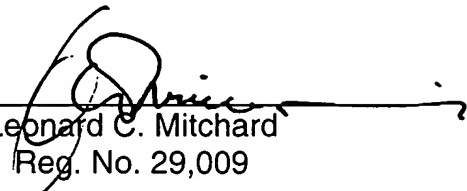
THOMBORSON
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Favorable action on this application is awaited.

Respectfully submitted,

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